




***Report to the
Successor Agency to
the Dissolved AUDA***

Action Item

Agenda Item No. **6**

City Manager Approval

To: Chair and Board Members
From: Robert Richardson, City Manager
Megan Siren, Administrative Analyst 
Date: October 14, 2013
Subject: Long Range Property Management Plan

The Issue

Shall the Successor Agency receive a report on the Long Range Property Management Plan required by CA Health and Safety Code, Section 34191.5 and authorize submission to the Oversight Board for approval?

Conclusion and Recommendation

Staff recommends that the Successor Agency to the dissolved Auburn Urban Development Authority, by RESOLUTION approve the Long Range Property Management Plan.

Background

On June 28, 2011, as part of the 2011-12 State of California budget bill, companion bills Assembly Bill 1X 26 (AB 26) and Assembly Bill 1X 27 (AB 27) were enacted, dissolving the Auburn Urban Development Authority (AUDA), unless the City of Auburn (City) elected to participate in the Alternative Voluntary Redevelopment Program established by AB 27 and paid an annual "community remittance" payment to the County of Placer. On July 18, 2011, a Petition of Writ of Mandate was filed in the Supreme Court of the State of California in the matter of *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, Case No S194861 (Legal Action), challenging the constitutionality of AB 26 and AB 27 on behalf of cities, counties and redevelopment agencies. On December 29, 2011, the Supreme Court issued its opinion in the Legal Action, upholding AB 26, invalidating AB 27, extending certain statutory deadlines under Health and Safety Code Sections 34170 through 34191, and dissolving all redevelopment agencies throughout the State effective February 1, 2012.

Analysis

The City elected to become the successor agency to AUDA by Resolution No. 12-03, dated January 9, 2012. In June 2012, the State passed AB 1484 for the purposes of making technical and substantive amendment to the Dissolution Act that sets forth the process of unwinding the former Redevelopment Agency. In general, AB 1484 sets forth the procedures for the Successor Agency to account for existing assets including real estate properties.

AB 1484 prohibits the Successor Agency from disposing real estate assets until it has received a Finding of Completion from the Department of Finance (DOF) and an approved Long Range Property Management Plan (LRPMP). The Successor Agency on April 26, 2013, received the

Finding of Completion from DOF. Health and Safety Code Section 34191.5(b) requires the Successor Agency to submit a LRPMP to the Oversight Board and DOF within six months of receiving a Finding of Completion from DOF.

Staff has prepared a draft LRPMP for review by the Successor Agency. California Health & Safety Code Section 34191.5 subsections (b) and (c) outline the requirements for a Long Range Property Management Plan prepared by the Successor Agency. The primary purpose of the LRPMP is to “address the disposition and use of real properties of the former redevelopment agency.” The following are the four categories of disposition of real property within a LRPMP:

- 1) Retention for governmental use per Government Code Section 34181(a). This is for transfer of properties that were constructed and used for a governmental purpose such as roads, school buildings, parks, police and fire stations and administrative buildings;
- 2) Retention for future development. This category permits transfer of a property to the City to complete redevelopment in accordance with an approved redevelopment plan; however, Government Code Section 34180(f) requires compensation be paid for the transferred property under this category;
- 3) Retention to satisfy enforceable obligations. This category applies to properties which must be transferred to a third party in order to fulfill existing enforceable obligations;
- 4) Sale of the property for the benefit of affected taxing entities. Properties which are not designated in one of the previous three categories fall into this option. Sales proceeds must be distributed to the affected taxing entities.

The LRPMP includes the inventory of all the assets, which are two parcels along Blocker Drive. This Blocker Drive property best fits into category 4—sale for the benefit of affected taxing entities. The LRPMP recommends disposing/selling of the properties as required by the State.

Once the LRPMP is approved by the Successor Agency, it must also be approved by the Oversight Board and finally, by the Department of Finance. And, according to the Department of Finance, each individual sale of property must also be approved by the Oversight Board and the Department of Finance.

Alternatives Available to Successor Agency; Implications of Alternatives

1. Proceed with Staff Recommendation
2. Do not adopt a resolution. The Successor Agency to the former Auburn Urban Development Authority is required to submit a Long Range Property Management Plan for consideration by the Oversight Committee as a prerequisite to transferring real property.

Fiscal Impact

Successor Agency funds expended to prepare the Long Range Property Management Plan are considered within the administrative reimbursement component of funds to be allocated from the Redevelopment Property Tax Trust Fund, to the extent available.

Attachments: Long Range Property Management Plan/Resolution

Long Range Property Management Plan Successor Agency to the Auburn Urban Development Authority

INTRODUCTION

Assembly Bill (AB) 1484 requires all successor agencies to former redevelopment agencies that owned non housing property as of the time of redevelopment dissolution on February 1, 2011, to prepare a Long Range Property Management Plan (LRPMP) within six months of receipt of a finding of completion from the Department of Finance. The Successor Agency received their FOC from the DOF on April 26, 2013.

This document is the LRPMP for the Successor Agency to the Auburn Urban Development Authority (Successor Agency). The LRPMP governs the disposition and use of non-housing property held by the former redevelopment agency pursuant to legal requirements, as detailed in the next section.

EXECUTIVE SUMMARY

The former Auburn Urban Development Authority (Redevelopment Agency) is the owner of record on the title for two (2) properties in the City of Auburn (City). These properties are grouped into a single location at Blocker Drive. The two (2) properties are designated for "sale of the property." The table below provides a summary of all LRPMP disposition categories:

Auburn Urban Development Authority Successor Agency Summary of Property Disposition Categories	
Permissible Use Under AB 1484	# of Properties
Government Use Properties	0
Sale of Property	2
Fulfill an Enforceable Obligation	0
Retain for Future Development	0
TOTAL	2

LEGAL REQUIREMENT

Pursuant to Health and Safety Code section 34191.5, within six months after receiving an FOC from the DOF, each successor agency is required to submit for approval to the oversight board and DOF, a LRPMP that addresses the disposition and use of the real properties of the former redevelopment agency. In the Successor Agency's case, an Oversight Board approved PMP is due to the DOF by or before October 26, 2013.

The LRPMP shall do all the following:

1. Include an inventory of all properties in the Community Redevelopment Property Trust Fund (Trust), which was established to serve as the repository of the former redevelopment agency's real properties. The inventory shall consist of all of the following information:

- The date of acquisition of the property and the value of the property at that time, and an estimate of the current value of the property.
- The purpose for which the property was acquired.
- Parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community, or general plan.
- An estimate of the current value of the parcel including, if available, any appraisal information.
- An estimate of any lease, rental, or any other revenues generated by the property, and a description of the contractual requirements for the disposition of those funds.
- The history of environmental contamination, including designation as a brownfield site, and related environmental studies, and history of any remediation efforts.
- A description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency
- A brief history of previous development proposal and activity, including the rental or lease of property.

2. Address the use or disposition of all the properties in the Trust. Permissible uses include:

- the retention of the property for governmental use pursuant to subdivision (a) of Section 34181
- the retention of property for future development
- the sale of the property, or
- the use of the property to fulfill an enforceable obligation.

3. The LRPMP shall separately identify and list properties in the Trust dedicated to governmental use purposes and properties retained for purposes of fulfilling an enforceable

obligation. With respect to the use or disposition of all other properties, all the following shall apply:

- If the plan directs the use or liquidation of the property for a project identified in an approved redevelopment plan, the property shall transfer to the city, county, or city and county.
- If the plan directs the liquidation of the property or the use of revenues generated from the property, such as lease or parking revenues, for any purpose other than to fulfill an enforceable obligation or other than that specified in the bullet directly above, the proceeds from the sale shall be distributed as property tax to the taxing entities.
- Property shall not be transferred to a successor agency, city, county, or city and county, unless the LRPMP has been approved by the oversight board and DOF.

PROPERTY DESCRIPTION SUMMARY

There are two (2) parcels owned and controlled by the Successor Agency. They include the following:

Blocker Drive Property. Two (2) parcels (APN: 001-051-015-510 & 001-051-010-510). The property is currently vacant and consists of approximately 12.6 and 0.34 acres respectively. This site does not have a formal address.

PROPERTIES TO BE SOLD

The Plan proposes that the properties listed below be positioned for disposition by the Successor Agency and Oversight Board. The proposed disposition plan objective is to sell the subject property for private development consistent with the existing City of Auburn General Plan and zoning ordinance land use designations.

Blocker Drive Property APN 001-051-015-510 & 001-051-010-510 Vacant Land

Included as Attachment A is a property data table describing the former Agency-owned real property assets of the Successor Agency to the former Auburn Urban Development Authority. For each of these subject properties the table includes, but is not limited to the following information:

1. Date of purchase, value of property (estimated) at time of purchase;
2. Purpose of the property acquisition;
3. Parcel data including address, size, zoning, General Plan designation;
4. Estimate of the current value or appraised value;
5. Estimate of revenue generated from use of property and contractual requirements (e.g. lease, etc.);

6. Any history of environmental contamination and / or remediation;
7. Development potential / planning objectives; and
8. Any previous development proposals, rental or lease agreements, other contracts

APPROACH AND PROCESS FOR DISPOSITION OF REAL PROPERTY

The property consisting of two (2) parcels as described above are planned to be offered for sale through a Request for Proposals and Offer (RFPO) process. The proceeds generated from the disposition (sale) of the Blocker Drive properties would be distributed to the applicable taxing entities in accordance with the provisions of AB 1484 upon receipt of such proceeds by the Successor Agency.

Auburn Urban Development Authority Long Range Property Management Plan
Property Inventory Data

HSC 34191.5 (c)(2)		HSC 34191.5 (c)(1)(A)				SALE OF PROPERTY		HSC 34191.5 (c)(1)(B)		HSC 34191.5 (c)(1)(C)		HSC 34191.5 (c)(1)(D)		HSC 34191.5 (c)(1)(E)		HSC 34191.5 (c)(1)(F)		HSC 34191.5 (c)(1)(G)		HSC 34191.5 (c)(1)(H)					
No.	APN	Existing Use	Address	Property Type	Permissible Use	Permissible Use Detail	Acquisition Date	Purchase Price	Estimated Current Value	Value Basis	Date of Estimated Current Value	Proposed Sale Value	Proposed Sale Date	Purpose for which property was acquired	Address	APN #	Lot Size (Acres)	Current Zoning	Estimate of Current Parcel Value	Estimate of Income/Rent Revenue	Contractual requirements for use of income/rent revenue	environmental studies, and/or remediation, and designation as a brownfield site	Description of property's potential for transit oriented development	Advancement of planning objectives of the successor agency	History of previous development proposals and activity
Properties Proposed for Disposition																									
1	001-051-015-510	Vacant	Blocker Drive	Vacant	Sale of Property	Promote housing or light industrial use	06/26/97	\$350,000	\$ 393,000	No current appraisal available	No current appraisal available	TBD	06/14/14	Future Development	Blocker Drive	001-051-015-510	12.60	M-1/R1-10/OSC	\$393,000	NA	NA	To the best of staff knowledge, there is no known contamination.	The site is located near the Auburn Station which is a Multi Modal Stop, which includes the following operators: Capital Corridor, Auburn Transit, Placer County Transit and Gold Country Stage.	Property was purchased to promote a possible low-income property project.	There have been no known development proposals
2	001-051-010-510	Vacant	Blocker Drive	Vacant	Sale of Property	Promote housing or light industrial use	06/26/97	Purchased with above property	Included with above property	No current appraisal available	No current appraisal available	TBD	06/14/14	Future Development	Blocker Drive	001-051-010-510	0.34	M-1/R1-1-1/OSC	Included with above property	NA	NA	To the best of staff knowledge, there is no known contamination.	The site is located near the Auburn Station which is a Multi Modal Stop, which includes the following operators: Capital Corridor, Auburn Transit, Placer County Transit and Gold Country Stage.	Property was purchased to promote a possible low-income property project.	There have been no known development proposals.

RESOLUTION NO. 13-

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE DISSOLVED AUBURN
URBAN DEVELOPMENT AUTHORITY, APPROVING THE LONG RANGE PROPERTY
MANAGEMENT PLAN

THE SUCCESSOR AGENCY TO THE DISSOLVED AUBURN URBAN DEVELOPMENT
AUTHORITY DOES HEREBY RESOLVE:

WHEREAS, pursuant to Health and Safety Code Section 34173(d), the
City of Auburn elected to become the Successor Agency to the Auburn Urban
Development Authority ("Successor Agency") by Resolution No. 12-03 on
January 9, 2012; and

WHEREAS, upon receiving a finding of completion from the Department
of Finance, the Successor Agency may prepare a Long Range Property
Management Plan for the disposition of real properties owned by it, in
accordance with Health and Safety Code Section 34191.5; and

WHEREAS, the Successor Agency received its finding of completion on
April 26, 2013; and

WHEREAS, the former Auburn Urban Development Authority owned two
properties when it was dissolved, and such properties are now controlled by
the Successor Agency, which has prepared a proposed Long Range Property
Management Plan for the purpose of disposing of these properties by sale, with
the proceeds being distributed among the affected taxing entities. A copy of
Long Range Property Management Plan is included as Exhibit A; and

WHEREAS, the Long Range Property Management Plan must be reviewed
and approved by the Oversight Board of the Successor Agency and the State
Department of Finance before any potential real estate transaction can occur;
and

WHEREAS, the Successor Agency has reviewed, received and considered
the Long Range Property Management Plan; and

1 WHEREAS, the Successor Agency finds that the Plan was prepared in
2 accordance with the requirements of Health and Safety Code Section 34191.5.

3
4 NOW, THEREFORE, THE SUCCESSOR AGENCY TO THE FORMER AUBURN
5 URBAN DEVELOPMENT AUTHORITY, DOES HEREBY RESOLVE AS FOLLOWS:

6 **Section 1.** The Recitals set forth above are true and correct and are
7 incorporated into this Resolution by this reference.

8 **Section 2.** The Successor Agency hereby approves the resolution and the
9 Long Range Property Management Plan.

10 **Section 3.** This Resolution shall take effect immediately upon its adoption.

11
12 PASSED, APPROVED AND ADOPTED at a regular meeting of the Successor
13 Agency to the former Auburn Urban Development Authority, on 14th day of
14 October, by the following vote:

15 AYES:

16 NOES:

17 ABSTAIN:

18 ABSENT:

19
20
21
22 ATTEST:

Kevin Hanley, Mayor

23
24 _____
Stephanie L. Snyder, City Clerk

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